

Subpart 3133—Rentals and Royalties

§ 3133.1 Rentals.

(a) An annual rental shall be due and payable at the rate prescribed in the notice of sale and the lease, but in no event shall such rental be less than \$3 per acre, or fraction thereof. Payment shall be made on or before the first day of each lease year prior to discovery of oil or gas on the lease.

(b) If there is no actual or allocated production on the portion of a lease that has been segregated from a producing lease, the owner of such segregated lease shall pay an annual rental for such segregated portion at the rate per acre specified in the original lease. This rental shall be payable each lease year following the year in which the segregation became effective and prior to discovery of oil or gas on such segregated portion.

(c) Annual rental paid in any year prior to discovery of oil or gas on the lease shall be in addition to, and shall not be credited against, any royalties due from production.

[46 FR 55497, Nov. 9, 1981, as amended at 53 FR 17358, May 16, 1988]

§ 3133.2 Royalties.

Royalties on oil and gas shall be at the rate specified in the notice of sale as to the tracts, if appropriate, and in the lease, unless the Secretary, in order to promote increased production on the leased area through direct, secondary or tertiary recovery means, reduces or eliminates any royalty set out in the lease.

[46 FR 55497, Nov. 9, 1981, as amended at 53 FR 17358, May 16, 1988]

§ 3133.2-1 Minimum royalties.

For leases which provide for minimum royalty payments, each lessee shall pay the minimum royalty specified in the lease at the end of each lease year beginning with the first lease year following a discovery on the lease.

[46 FR 55497, Nov. 9, 1981, as amended at 53 FR 17358, May 16, 1988]

§ 3133.3 Under what circumstances will BLM waive, suspend, or reduce the rental, royalty, or minimum royalty on my NPR-A lease?

(a) BLM will waive, suspend, or reduce the rental or minimum royalty or reduce the royalty rate on your lease if BLM finds that—

(1) It encourages the greatest ultimate recovery of oil or gas or it is in the interest of conservation; and

(2) It is necessary to promote development or the BLM determines the lease cannot be successfully operated under the terms of the lease.

(b) The BLM will consult with the State of Alaska and the North Slope Borough within 10 days of receiving an application for waiver, suspension, or reduction of rental or minimum royalty, or reduction of the royalty rate and will not approve an application under § 3133.4 of this subpart until at least 30 days after the consultation.

(c) If your lease includes land that was made available for acquisition by a regional corporation (as defined in 43 U.S.C. 1602) under the provision of Section 1431(o) of the Alaska National Interest Lands Conservation Act (ANILCA) (16 U.S.C. 3101 *et seq.*), the BLM will only approve a waiver, suspension, or reduction of rental or minimum royalty, or reduction of the royalty rate if the regional corporation concurs.

[67 FR 17885, Apr. 11, 2002, as amended at 73 FR 6442, Feb 4, 2008]

§ 3133.4 How do I apply for a waiver, suspension or reduction of rental, royalty or minimum royalty for my NPR-A lease?

(a) Submit to BLM your application and in it describe the relief you are requesting and include—

(1) The lease serial number;

(2) The number, location and status of each well drilled;

(3) A statement that shows the aggregate amount of oil or gas subject to royalty for each month covering a period of at least six months immediately before the date you filed the application;

(4) The number of wells counted as producing each month and the average production per well per day;